



Community Development Block Grant Program CARES Act Substantial Amendment

Annual Action Plan

FY 2020-2021

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NEWPORT BEACH CITY COUNCIL

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EXECUTIVE SUMMARY

Background

Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the President signed it on March 27, 2020 authorizing \$2.2 trillion in a variety of stimulus measures to prevent, prepare for, and respond to the COVID-19 pandemic. The law included \$2 billion for Community Development Block Grant (CDBG) entitlement communities. The City of Newport Beach receives regular formula-based entitlement grants of CDBG funds through the United States Department of Housing and Urban Development (HUD) each year.

Sources

The City of Newport Beach will receive the following grant under the CARES Act:

CDBG-CV	\$219,324
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These funds are separate and distinct from the City's regular CDBG funds. As of June 15, 2020, HUD continues to release guidance for these programs containing modified program requirements. Subject to the CARES Act and emerging policy from HUD, the City Council is responsible for determining how CDBG-CV funds will be used to prevent, prepare and respond to the COVID-19 virus. This draft Action Plan Amendment describes the approved investment of CDBG-CV funds.

Uses of Community Development Block Grant (CDBG-CV)

Small Business Relief Grants	\$175,460
CDBG-CV Program Administration	\$43,864

Updated Uses of Regular Community Development Block Grant (CDBG)

The original 2020-2021 Action Plan adopted on May 12, 2020 included a generalized activity for Economic Development Assistance using \$250,371 of CDBG funds. Those funds will now be used for the Small Business Relief Grants project described in this Action Plan Amendment with specific numerical goals for the combined use of the regular CDBG resource and the CDBG-CV resource.

AP-15 EXPECTED RESOURCES

The CARES Act allocations from HUD include \$219,324 of CDBG-CV funds. The period of performance for these grants under the law is from March 27, 2020 to September 30, 2022. Additionally, \$250,371 of funding allocated to Economic Development Assistance in the original 2020-2021 Action Plan will be used in conjunction with CARES Act CDBG-CV funds.

Table 1 – Expected Resources

Program	Uses of Funds	Expected Amount Available				Narrative Description
		Allocation:	Program Income:	Prior Year Resources:	Total:	
CDBG-CV	Economic Development Administration	\$219,324	\$0	\$0	\$219,324	CARES Act allocation of CDBG to address COVID-19

Matching Requirements

The Cares Act allocation of CDBG-CV funds does not require a local matching funds contribution.

Note: Information on this page will also be used to update the 2020-2024 Consolidated Plan “SP-35 Anticipated Resources” section, adding the CDBG-CV allocation shown in Table 1.

AP-20 GOALS AND OBJECTIVES

Table 2 – Goals and Objectives

Goal Name	Time Period	Category	Needs Addressed	Funding	Goal Outcome Indicator
Goal 1 Economic Development Assistance	2020-2022	Non-Housing Community Development	Economic Development	CDBG-CV: \$175,460 Regular CDBG: \$250,371	Businesses Assisted: 20 Businesses Jobs Created/Retained: 16 Jobs
<p>Description: Provide technical assistance and additional support to small and micro businesses in the City of Newport Beach to provide job support and fulfill economic needs of low- and moderate-income residents. Provide one-time funding to small businesses located within the city that need financial assistance to aid in their recovery from the temporary loss of revenue due to the COVID-19 public health emergency.</p>					
Goal 3 CDBG-CV Program Administration	2020-2022	Program Administration	All	CDBG-CV: \$43,864	N/A
<p>Subject to the CARES Act and emerging policy from HUD, including program regulations and waivers, CDBG-CV funds will be used to pay the City’s costs to plan for the use of CDBG-CV funds, process all required grant administration documents, forms, agreements, and payments, and to monitor and report to HUD concerning implementation of activities in compliance with federal regulations.</p>					

Note: Information from this page will also be used to update the 2020-2024 Consolidated Plan “SP-45 Strategic Plan Goals” section, adding CDBG-CV funds to the Economic Development Assistance and Program Administration goals.

AP-35 PROJECTS AND ACTIVITIES

To address the goals and objectives identified in Section AP-20, the City of Newport Beach will invest these funds for the project activities shown in the table below.

Table 3 – CDBG-CV Project and Activities

1	Project Name	Small Business Relief Grants
	Target Area	Citywide
	Goals Supported	Economic Development Assistance
	Needs Addressed	Economic Development
	Funding	CDBG-CV: \$175,460 Regular CDBG: \$250,371
	Description	<p>Subject to the CARES Act and emerging policy from HUD, including program regulations and waivers, CDBG-CV funds will be used for the Small Business Relief Grant Program that provides one-time funding to small businesses located within the city that need financial assistance to aid in their recovery from the temporary loss of revenue due to the COVID-19 public health emergency. To be eligible to apply for the Small Business Relief Grant Program, a business must demonstrate the need for financial support due to the temporary loss of revenue resulting from the impact of the COVID-19 pandemic and the Stay at Home order in one of the following ways:</p> <ul style="list-style-type: none"> • The business was deemed non-essential and was forced to shut down by the state or local government; Sales from the business are down more than 25 percent compared to the previous three months (Prior to February 15, 2020) or a comparable 3-month period in 2019; • The business has had to lay off at least one of its employees (full- or part-time employee); or • One or more of the employees in the business have contracted COVID-19, while at work. <p>For more information, please visit: https://www.newportbeachca.gov/government/departments/city-manager/small-business-program-grant</p>
	Target Date	9/30/2022
	Accomplishments	Approximately 20 businesses will be assisted, 16 Jobs Created/Retained
	Location	Citywide
	Planned Activities	Small Business Relief Grants (20 Businesses Assisted, 16 Jobs Created/Retained)

2	Project Name	CDBG-CV Program Administration
	Target Area	Citywide
	Goals Supported	Program Administration, Economic Development Assistance
	Needs Addressed	Economic Development
	Funding	CDBG-CV: \$43,864
	Description	Subject to the CARES Act and emerging policy from HUD, including program regulations and waivers, CDBG-CV funds will be used to pay the City's costs to plan for the use of CDBG-CV funds, process all required grant administration documents, forms, agreements, and payments, and to monitor and report to HUD concerning implementation of activities in compliance with federal regulations.
	Target Date	9/30/2022
	Estimate the number and type of families that will benefit	N/A – Program Administration
	Location	Citywide
	Planned Activities	CDBG-CV Program Administration \$43,864

AP-90 PROGRAM SPECIFIC REQUIREMENTS

In the implementation of program activities under the CDBG-CV Action Plan will follow all HUD regulations and some or all of the waivers made available by HUD concerning compliance matters such as program income, forms of investment, and overall low- and moderate-income benefit (if applicable).

Community Development Block Grant-CV Program (CDBG-CV)

The following tables address HUD regulatory requirements at 24 CFR 92.220(l)(1) concerning program income and CDBG-CV low- and moderate-income benefit.

Table 4 – Program Income

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Table 5 – Low- and Moderate-Income Benefit

1. The amount of urgent need activities*	0%
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low- and moderate-income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low- and moderate-income. Specify the years covered that include this Annual Action Plan.	100%

*Note: The amount for Urgent Need activities may change depending on waivers issued by HUD subsequent to this Action Plan amendment.



Appendix A

Citizen Participation

Summary of Public Comments

To be inserted subsequent to the public review and comment period.



Appendix B
SF-424, SF-424D, and Action Plan
Certifications